



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 10, 1999

Lynne A. Battaglia  
United States Attorney  
6625 United States Courthouse  
101 West Lombard Street  
Baltimore, MD 21201-2692

RE: MUR 4583  
Embassy of India

Dear Ms. Battaglia:

In April 1998, we informed you of the Federal Election Commission's disposition of the Lalit H. Gadhia matter (MUR 4582) that your office had referred to the Commission. We also mentioned that the Commission was investigating a related matter and that we would notify you when that matter closed.

On November 12, 1996, the Commission found reason to believe that the Embassy of India and Davendra Singh, knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, provisions of the Federal Election Campaign Act of 1971, as amended, and initiated an investigation. The investigation was initiated pursuant to information that the funds used for the illegal contribution scheme involving Mr. Gadhia were provided by Davendra Singh, the then Minister for Personnel and Community Affairs at the Embassy of India in Washington, D.C., and that Mr. Gadhia sent documents in connection with this scheme addressed to Minister Singh at the embassy. Under 2 U.S.C. § 441e, foreign nationals and foreign states, (see 22 U.S.C. § 611(b)), are specifically prohibited from making political contributions and participating in or controlling the election-related activities of a person or organization.

The investigation revealed that Minister Singh initiated the reimbursement scheme in which he supplied over \$40,000 to Mr. Gadhia for the purpose of channeling the money to candidates in the 1994 federal elections, which funds were used to reimburse numerous individuals for campaign contributions to various political committees. The embassy itself never provided any useful information or documentation despite its promise to cooperate with the investigation.

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Subsequently, the Commission on November 9, 1998, found probable cause to believe that the Embassy of India and Davendra Singh knowingly and willfully violated 2 U.S.C. §§ 441e and 441f. In lieu of Post-Probable Cause Conciliation under 2 U.S.C. 437g(a)(4)(A)(i), the Commission referred this matter to the United Department of Justice for its consideration pursuant to 2 U.S.C. § 437g(a)(5)(C) and the Memorandum of Understanding between the Department and the Commission. On July 20, 1999, the Department of Justice advised the Commission that it had closed the matter "without further investigation or prosecution." Subsequently, the Commission, on August 26, 1999, determined to take no further action, send an admonishment letter, and close the file.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act of 1971, as amended. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

cc: Craig C. Donsanto, Department of Justice